

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Clinton Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: August 2, 2021

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on average on October 1 of each fiscal year. The schedule is effective in FY22 (since the amount under the prior schedule was maintained in FY22) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.25% to 7.00% and a slight adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Enc.



Clinton Retirement System
January 1, 2021 Actuarial Valuation

Total Appropriation Increasing 5.1% until FY33 with a final amortization payment in FY34

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Amort. of Pension Holiday</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Total Cost % Incr.</u>
2022	1,371,253	225,000	1,728,508	40,808	3,365,568	21,459,533	
2023	1,432,959	225,000	1,836,609	42,644	3,537,212	21,100,011	5.10%
2024	1,497,442	225,000	1,950,604	44,563	3,717,610	20,599,644	5.10%
2025	1,564,827	225,000	2,070,812	46,568	3,907,208	19,942,286	5.10%
2026	1,635,244	225,000	2,197,567	48,664	4,106,475	19,110,319	5.10%
2027	1,708,830	225,000	2,331,221	50,854	4,315,906	18,084,537	5.10%
2028	1,785,728	225,000	2,472,147	53,142	4,536,017	16,844,014	5.10%
2029	1,866,086	225,000	2,676,268		4,767,354	15,365,963	5.10%
2030	1,950,059	225,000	2,835,429		5,010,489	13,625,586	5.10%
2031	2,037,812	225,000	3,003,212		5,266,024	11,595,913	5.10%
2032	2,129,514	225,000	3,180,077		5,534,591	9,247,621	5.10%
2033	2,225,342	225,000	3,366,513		5,816,855	6,548,848	5.10%
2034	2,325,482	225,000	3,523,578		6,074,061	3,464,992	4.42%
2035	2,430,129	225,000			2,655,129	0	-56.29%

Appropriation payments assumed to be made on average on October 1 of each fiscal year
Normal cost includes expenses of \$400,000 and is assumed to increase 4.5% each year.
FY22 amount maintained at level of current funding schedule